

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**D.C. Office of Personnel**

**District Personnel Manual Issuance System**

This instruction should be filed  
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DPM Chapter(s) 21A & 21B

**DPM Instruction No. 21A-5 & 21B-7**

**SUBJECT:** Permissible Changes for Employees Under the Federal  
Employees' Health Benefits Program (FEHB) and the  
District of Columbia Employees' Health Benefits Program  
(DCEHB) Electing Premium Conversion

**Date:** July 27, 2004

**1. Purpose**

The purpose of this instruction is to provide District government agencies and employees with the Table of Permissible Changes for employees covered under the Federal Employees' Health Benefits Program (FEHB) and the District of Columbia Employees' Health Benefits Program (DCEHB) who are receiving premium conversion tax benefits.

Premium conversion tax benefits allow an employee to allot a portion of his or her salary back to the employer, which the employer then uses to pay the employee's health insurance coverage. This allotment is made on a pre-tax basis, which means that the money is not subject to federal income, Medicare, or Social Security taxes. In most States and many localities that impose an income tax, the allotment will not be subject to those taxes as well, therefore, increasing an employee's take-home pay and lowering his or her annual tax burden. The District government will continue to contribute its share towards the total premium cost.

**2. Coverage**

a. The FEHB is applicable to:

- (1) Individuals first employed by the District government before October 1, 1987 in positions subject to health benefits, who are still employed without having had a break in service of one (1) workday or more since that date; and
- (2) Individuals first employed by the District government before October 1, 1987 in positions subject to health benefits, who subsequently terminate such employment and become reemployed with the District government on or after October 1, 1987.

b. The DCEHB is applicable to individuals first employed by the District government on or after October 1, 1987.

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***Note:** DPM Instructions that are strictly procedural in nature have direct applicability only to agencies and employees under the personnel authority of the Mayor. Other personnel authorities or independent agencies may adopt any or all of these procedures or guidance materials for agencies and employees under their respective jurisdictions. [See DPM Chapter 2, Part II, Subpart 1, § 1.3]*

**Inquiries:** DCOP, Management & Employee Services Administration, Benefits Section, 442-9655

**Distribution:** Heads of Department and Agencies, HR Advisors and DPM Subscribers

**Retain Until Superseded**

### **3. Provisions**

- a. All employees participating in the FEHB and the DCEHB Programs automatically participate in premium conversion, unless they elect to waive participation. There are tax benefits for participating in premium conversion, and employees may cancel or change to a “Self Only” plan only during annual open enrollment, or when a Qualifying Life Event (QLE) occurs.
- b. For the purposes of this instruction, premium conversion events are divided into the four (4) categories listed below:
  - (1) Events not affected by premium conversion – Eligible employees may enroll in the FEHB or DCEHB Programs, make an open season health benefits election, and participate in or waive participation in premium conversion:
  - (2) Events permitted by the FEHB, DCEHB, and Internal Revenue Service (IRS) regulations – Employees may make any election that is consistent with the QLE list in Attachment 1 of this instruction;
  - (3) Events included in the FEHB regulations only – Eligible employees may only enroll, change from “Self Only” to “Self and Family,” or change from one plan or option to another; and
  - (4) Events permitted by the IRS regulations only – Eligible employees may only change from “Self and Family” to “Self-Only,” cancel, and elect to participate in or waive participation in premium conversion.
- c. Eligible employees have thirty (30) days from their date of hire to enroll in the applicable health benefits program.
- d. Eligible employees who waive pre-tax treatment of FEHB or DCEHB health insurance premium contributions must complete the District of Columbia Government Health Insurance Pre-Tax Waiver Form (Attachment 2).
- e. The FEHB Premium Conversion Table is available at [www.opm.gov/asd/htm/2003/03-207.asp](http://www.opm.gov/asd/htm/2003/03-207.asp).

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Rosalind R. Inge  
Interim Director of Personnel

Attachment 1: Table of Permissible Changes

Attachment 2: District of Columbia Government Health Insurance Pre-Tax Waiver Form

## Table Of Permissible Changes

[Some of the events/codes below apply to federal government employees only.]

Premium conversion rules do not affect codes 1A and 1B. Code 1A includes the initial opportunities that entitle employees to enroll in the FEHB/DCEHB Program. At the time employees enroll in the FEHB/DCEHB Program, you should ensure that **they understand that enrollment in premium conversion is automatic unless they complete and return a waiver election form to the personnel office.** Additionally, when they are under premium conversion, employees must understand that they cannot change to a Self Only enrollment or cancel at anytime. They must have a QLE or wait until the annual Open Season to make these changes.

**Code 1A - Initial Opportunity to Enroll** (this code now includes events that were previously under codes 1A and 1L in the employee table in the 1999 edition of the SF 2809):

**Elections** - Employees may enroll or waive participation in premium conversion only under this event. Participation in premium conversion is **automatic** for all employees who enroll under this event unless they waive it.

**Time Limit** – Employees must enroll within 30 days after becoming eligible.

**Effective Date** - General rule.

In rare instances, employees may wish to change their enrollment election. They may change their enrollment as long as their personnel office receives the request within 30 days after they become eligible for coverage. The effective date of the change is prospective.

**Code 1B - Open Season:** This event applies to all employees eligible to enroll or make an enrollment change:

**Elections** - IRS regulations governing premium conversion, like FEHB/DCEHB regulations, permit employees to make any type of election during the annual open season. For all open season enrollments, **participation in premium conversion is automatic** unless waived. Employees must be reminded that their premium conversion election remains in effect until they elect to change it during a future open season or when a QLE occurs.

**Time Limit** – The D.C. Office of Personnel (DCOP) announces the date of an open season. Generally, open season is held beginning on the Monday of the second full workweek in November until the Monday of the second full workweek in December. Employees must submit their elections during this period.

**Effective Date** - Open season enrollments are effective on the first day of the first pay period that begins in the next year and that follows a pay period during any part of which the employee is in pay status.

Employees in nonpay status (including LWOP) during the open season who want to enroll may do so. However, **this enrollment cannot become effective until they are in pay status.** An open season enrollment change is effective on the first day of the first pay period that begins in January of the next year.

A cancellation made during the open season is effective at midnight of the day before the first day of the first pay period that begins in the next year.

The events in this group are included as events in both the FEHB/DCEHB and IRS regulations. Thus, employees can make any elections permitted within the time limits shown. However, there will be some exceptions to the elections, time limits, and effective dates in some of the events, as shown below.

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**Code 1C - Change in Family Status:**

**Elections** - Employees may make any election as shown on the table. Generally, employees may make a change to a Self Only enrollment only if the QLE causes the last family member to be ineligible for coverage, or if they can show that the QLE caused all eligible family members to acquire other coverage. Employees may cancel their coverage only if they can show that the QLE caused them and all eligible family members to have other health insurance coverage.

When both an employee and spouse are employees, FEHB/DCEHB regulations permit them to enroll in two self only plans when their last child becomes ineligible for coverage. Please coordinate with the spouse's agency to prevent any gap in coverage.

**Time Limits** - Generally, the time limit is within 30 days after a change in family status. ***EXCEPTION:*** ***Employees who enroll, change from Self Only to Self and Family, or from one plan or option to another, may do so 31 days before the event to assure coverage when the change in family status occurs.***

**Effective Date**

1. Generally, a change to Self and Family due to marriage is effective according to the general rule. However, if you receive the request the pay period before the date of the marriage, the enrollment change is effective the first day of the pay period in which the marriage occurs. The spouse is not eligible for FEHB/DCEHB coverage as an eligible family member, however, until the date of the marriage.
2. An enrollment or change due to the addition of a child as a new family member is effective on the first day of the pay period in which the child is born or becomes an eligible family member.
3. A change to Self Only is effective on the first day of the first pay period that begins after the date the employing office receives the request. However, at the employee's request, and upon a showing satisfactory to the employing office that no family member was eligible for coverage, you may make it effective on the first day of the pay period after the one in which there was no family member.

***Change in Employee's Employment Status*** (previously, code 1D of the employee Table of Permissible Changes was a "Change in Employment Status"). We have created 3 event codes in the new table from the examples listed in code 1D. They are Codes 1D, 1E, and 1F:

**Code 1D - Change in employee's employment status that could result in entitlement to coverage:**

**Election** - Employees may enroll in the FEHB/DCEHB Program. Changes from self only to self and family, from one plan or option to another, from Self and Family to Self Only, or a cancellation are not applicable. **Employees must be informed that premium conversion is automatic unless waived.**

**Time Limit** - Within 30 days after employment status change.

**Effective Date** - General rule.

You must use this event code to allow employees whose coverage previously terminated because they: 1) were reemployed after a break in service of more than 3 days, 2) were in a nonpay status, or 3) began receiving sufficient pay to re-enroll when they become eligible again. When employees begin nonpay status or their pay is insufficient

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to withhold premiums, you must give them an opportunity to terminate coverage. A termination differs from a cancellation as it provides a 31-day temporary extension of coverage, allows conversion to non-group coverage and does not count against the employee for purposes of meeting the requirements for continuing coverage after retirement.

**Code 1E - Change in employee's employment status that affects cost of insurance:**

**Elections** - Employees may make any election shown on table.

**Time limit** - Within 30 days after employment status change.

**Effective Date** - General rule.

**Code 1F - Employee is restored to a civilian position after serving in uniformed services:**

**Elections** - Employees may make any election shown on table.

**Time limit** - Within 30 days after return to civilian position.

**Effective Date** - General rule.

Employees who enter active military service must be given an opportunity to terminate coverage. If an employee decides to terminate his/her coverage or it terminates after the 18 months permitted by the Uniformed Service Employment and Reemployment Rights Act (USERRA), coverage is automatically reinstated on the date the employee is restored to his/her civilian position under 5 CFR Part 353. Employees who are not eligible for automatic reinstatement may re-enroll within 60 days after the date of reemployment.

**Code 1H - Salary of temporary employee becomes insufficient to make withholdings for plan in which enrolled**  
(this was previously code 1M of the employee table in the 1999 edition of SF 2809):

**Election** - Employees may change from one plan or option to another, change to a Self Only enrollment, cancel an enrollment, or elect to participate in or waive participation in premium conversion. Although the table indicates that the employee may cancel, this cancellation is technically a termination, and a SF 2810 must be used to document this action. This distinction is important, as a termination gives a 31-day temporary extension of coverage, allows an employee to convert to non-group coverage with his/her insurance carrier, and insures that the time the employee is not enrolled will not count against the employee for purposes of meeting the requirements for continuing FEHB/DCEHB after retirement.

**Time Limit** - Within 60 days after receiving the notice from the employing agency that the employee's pay is insufficient.

**Effective Date** - A change of enrollment is effective immediately upon termination of the prior enrollment. A termination is effective at the end of the last pay period for which withholding was made.

**Code 1I - When employees enrolled in an FEHB HMO or covered family members move or become employed outside of the service area** (this was previously code 1J of the employee table in the 1999 edition of SF 2809):

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**Election** - FEHB rules permit employees to change from Self Only to Self and Family or one plan or option to another. Please refer to event 1M on the Premium Conversion Table for employees who wish to change to Self Only, cancel, or waive their premium conversion election.

**Time Limit** - Upon notifying employing office of the move. FEHB regulations have this time limit so that employees and their family members will have continuous coverage when they move. This was made a separate event due to the difference in time limit from event 1M.

**Effective Date** - General rule.

**Code 1J - A transfer from a post of duty within a state of the United States or District of Columbia to a post of duty outside of the United States or District of Columbia, or the reverse** (this was previously code 1F of the employee table in the 1999 edition of SF 2809):

**Election** - Employees may make any election shown on the table.

**Time Limit** – 60 days after employees arrive at new post. ***EXCEPTION: Employees, who enroll, change from self only to self and family or from one plan or option to another may do so 31 days before the transfer to assure coverage when they arrive at their new post.***

**Effective Date** - General rule.

**Code 1L - Employee becomes entitled to Medicare** (this was previously code 1K of the employee table in the 1999 edition of SF 2809):

**Election** - Under FEHB rules, employees may make a one-time only change from one plan or option to another. Please refer employees who wish to change to Self Only or to cancel to event 1P on the Premium Conversion Table.

**Time Limit** - Any time beginning on the 30<sup>th</sup> day before becoming eligible for Medicare.

**Effective Date** - General rule.

**Code 1M - Employee or family member loses FEHB/DCEHB or other insurance coverage** (this was previously code 1G of the employee table in the 1999 edition of SF 2809):

**Election** - Employees may make any election shown on the table.

**Time Limit** – 60 days after the loss of coverage. ***EXCEPTION: Employees may enroll, change from Self Only to Self and Family, or from one plan or option to another beginning 31 days before the event to prevent gaps in coverage when the loss of other health insurance occurs.***

**Effective Date** - General rule.

When employees in an employee organization sponsored plan fail to pay membership dues, the employee organization terminates the employees' membership. The employee organization sponsored FEHB plan will notify the personnel office to **terminate** the employees' FEHB coverage.

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**Code 1N - Loss of coverage under a non-federal group health plan because an employee moves out of the commuting area to accept another position and the spouse terminates employment to accompany the employee** (this was previously code 1I of the employee table in the 1999 edition of SF 2809):

**Election** - Employees may make any election shown on the table.

**Time Limit** - From 31 days before the employee leaves the commuting area through 180 days after arriving in the new commuting area. The time limit for this event provides coverage to all family members if they need to delay their move for any reason.

**Effective Date** - General rule.

**Code 1O - Employee or eligible family member loses coverage due to discontinuance in whole or part of FEHB plan** (this was previously code 1H of the employee table in the 1999 edition of the SF 2809):

**Election** - Employees may make any election shown on the table.

**Time Limit** – The U.S. Office of Personnel Management (OPM) sets this. If the plan discontinues at the end of the contract year (December 31), the employee must request an enrollment change during the annual open season. If a plan discontinues at any other time of the year, the OPM establishes a time limit.

**Effective Date** - When a plan discontinues at the end of the contract year, the effective date of the enrollment change is the same as an open season change. The OPM establishes the effective date when the plan discontinues at another time of the year.

If a plan has 2 options and 1 of the options discontinues, employees who fail to select another plan must be placed in the remaining option of the plan. If an entire plan discontinues, an employee who does not select another FEHB plan is considered to have canceled for purposes of meeting the requirements for continuing FEHB after retirement. In addition, such an employee does not get a 31-day temporary extension of coverage and may not convert to non-group coverage.

***Event included in the FEHB/DCEHB regulations only***

**Code 1K - Separation from federal employment when the employee or employee's spouse is pregnant** (this was previously code 1E of the employee table in the 1999 edition of the SF 2809):

**Election** - Employees may make the elections shown on the table.

**Time Limit** - During the employee's final pay period.

**Effective Date** - The first day of the final pay period.

The FEHB enrollment terminates on the last day of the pay period in which the employee separates from service. However, employees are eligible for a 31-day temporary extension of coverage after that date. The purpose of this event is to provide coverage for a child in the event he/she is born during the 31-day extension period. Separating employees can then enroll in Temporary Continuation of Coverage that begins on the 32<sup>nd</sup> day after the date of separation.



### ***Events permitted by IRS regulations only***

These new events are included only in the IRS regulations. Consequently, FEHB regulations do not permit employees to enroll, change from Self Only to Self and Family, or change from one plan or option to another when these QLEs occur.

**Election** - Under IRS regulations, employees may only cancel or change to Self Only, or elect to participate in or waive participation in premium conversion.

**Time Limit** - Within 60 days after the QLE.

**Effective Date** - A cancellation is effective at midnight of the last day of the pay period in which the employing office receives the request to cancel.

A change to Self Only is effective on the 1<sup>st</sup> day of the 1<sup>st</sup> pay period that begins after the date the employing office receives the request.

### **Code 1G - Beginning or end of nonpay status or insufficient pay if coverage did not terminate:**

This has been made a separate event from 1M and 1D because FEHB rules do not permit un-enrolled employees to enroll when starting a period of nonpay status. In addition, FEHB rules do not permit employees to enroll or change when a spouse or dependent begins or ends nonpay status.

If the employee's coverage terminated, see event 1D on the Premium Conversion Table. If coverage for the spouse or dependent terminated, see 1M on the Premium Conversion Table.

### **Code 1P - Employee or eligible family member gains coverage under FEHB or another group health insurance plan:**

The first QLE under this event code is gaining Medicare coverage. FEHB rules permit employees to change plans or options when they become eligible for Medicare. See event 1L on the Premium Conversion Table. IRS rules permit an employee to make additional changes as shown in the table when he/she or an eligible family member becomes eligible for Medicare.

While TRICARE is included in this event code, acquiring TRICARE coverage in itself is not an event that permits a change in enrollment. There must be a QLE that causes the employee or family member to acquire TRICARE. For example, to be eligible to enroll in TRICARE for Life, an individual must enroll in Medicare Parts A and B. The enrollment in Medicare Part B makes an individual eligible for TRICARE for Life. The enrollment in Medicare is the QLE. If an employee defers enrolling in Part B of Medicare, he/she is not eligible for TRICARE for Life.

In addition, entering active military service or retiring as a reservist under 10 U.S.C. Chapter 67 is considered to be a change in employment status. The change in employment status is the QLE that causes the employee or family member to gain TRICARE coverage.

Employees have 60 days from the date they enroll in Medicare, enter active military service, or retire under 10 U.S.C. Chapter 67 to request a change to Self Only, to cancel, or to elect to participate in or waive participation in premium conversion. Otherwise, they must wait until the next FEHB open season.



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Employees who change from one type of TRICARE coverage to another may not cancel FEHB or change to Self Only unless they are within 60 days of a QLE that permits these actions.

**Code 1Q - Change in Spouse's or Dependent's Coverage Options**

This QLE includes changes in the coverage available to an eligible family member. Because only IRS regulations address this QLE, employees may only cancel, change to Self Only, or elect to participate in or waive participation in premium conversion. In contrast, FEHB rules permit enrollment or change when family members **lose** other insurance coverage, and event 1M on the Premium Conversion Table must be used when this occurs.

**GOVERNMENT OF THE DISTRICT OF COLUMBIA  
D.C. Office of Personnel**

**HEALTH INSURANCE PRE-TAX WAIVER/ELECTION FORM**

This form is used to waive pre-tax treatment of employee health insurance premium contributions to the District's health insurance program. Pre-tax treatment is automatic. You do not need to complete this form unless you elect not to have your health insurance premium contributions deducted on a pre-tax basis, or you previously waived this benefit and now elect to participate.

**I. PARTICIPANT INFORMATION**

Last Name	First Name	MI	SSN
Agency	Office Phone	Home Phone	

**II. ELECTION TO WAIVE PARTICIPATION IN PRE-TAX HEALTH INSURANCE PROGRAM**

I elect to waive participation in the pre-tax health insurance program. I would like to have my health insurance premiums deducted from my paycheck on an after-tax basis.

Signature	Date
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- ☐ This is my initial opportunity to waive participation in the pre-tax health insurance program.
- ☐ I am making this election to waive participation during Open Season.
- ☐ I wish to waive participation in the pre-tax health insurance program on account of and in accordance with Qualifying Life Event.

**III. ELECTION TO RESTORE PARTICIPATION IN PRE-TAX HEALTH INSURANCE PROGRAM**

I elect to have my health insurance premiums deducted from my pay on a pre-tax basis. I understand that I may only change my pre-tax health insurance premiums deductions to an after tax basis subsequent Open Season or upon a Qualifying Life Event.

Signature	Date
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- ☐ I am making this election to participate during the Open Season.
- ☐ I wish to participate in the pre-tax health insurance program on account of and in accordance with a Qualifying Life Event.

**IV. TO BE COMPLETED BY DC OFFICE OF PERSONNEL STAFF ONLY**

Approved ☐

Disapproved ☐

Effective Date: \_\_\_\_\_

Authorized Agency Official: \_\_\_\_\_

Signature

Date